Note:

- No appeals are allowed on projects seeking to mark-up-to-market.
- If an Owner claims to have rents under market but the HUD/ CA review concludes that rents are over market, HUD/ CA should follow the procedures in Items 1 through 3 of Section 9-20C above before referring cases to OAHP.

IMPOSING SANCTIONS ON APPRAISERS

Section 9-22

If, after the substantive review and communication, discussion or appeal pursuant to Section 9-20 or 9-21, a CA or Program Center Director still concludes that the appraiser's work is seriously deficient, the CA/ Program Center Director should consider:

- A. Reporting egregious violations or repeated technical violations of USPAP to the state's real estate appraisal regulatory authority; and
- B. Imposing or recommending imposition of HUD's administrative sanctions [Limited Denial of Participation (LDP), suspension or debarment].

SPECIAL PROCEDURES WHEN AN RCS SHOWS THAT MARKET RENTS EXCEED 110 PERCENT OF SAFMR OR FMR

Section 9-23

- *The following requirements will apply for all contracts where the owner or HUD-commissioned RCS concludes that project comparable market rents exceed 110% of Small Area Fair Market Rents (SAFMR) in metropolitan areas or Fair Market Rents (FMR) in non-metropolitan areas. This requirement applies to all RCSs where the HUD-92273 S8 is signed by the appraiser 150 days following the effective date of these page changes.*
- *A. The RCS report must include a statement as to the percentage of properties in the market area whose rents exceed 110% of the SAFMR in metropolitan areas or 110% of the FMR in non-metropolitan areas. Additionally, the RCS should support this conclusion by documenting through paired rents the conditions that differentiate the properties below the 110% threshold from those above it. (e.g., variances in condition, age, neighborhood support facilities, etc.)*

*B. Include the following as part of the RCS:	*
•	consists ofmultifamily housing units e Fair Market Rent (FMR) established for this
The subject rents exceed the 110% threshold Shopping Schools: Transportation: Age: Condition: Design/Appeal: Management: Employment Centers: Healthcare Providers: Other:	of this SAFMR or FMR as a result of: COMMENTS

Instructions for Locating Fair Market Rents and Small Area Fair Market Rents

Section 9-24

- *Appraisers should use the list of Fair Market Rents (FMRs) or Small Area Fair Market rents (SAFMRs) found on the Department's website at http://www.huduser.org/portal/datasets/fmr.html when determining if the rents in the RCS exceed 110 percent of the SAFMR in metropolitan areas or 110 percent of the FMR in non-metropolitan counties. If an appraiser is unsure of whether the county (or town in New England) in question is part of a metropolitan area, HUD maintains a metropolitan area identification tool at http://www.huduser.org/portal/datasets/geotools.html that can be used to determine whether the locality is part of a metropolitan area as determined by OMB." The user selects the state and county (or town) and is presented with a metropolitan or non-metropolitan determination.*
- *A. SAFMRs have been developed by the Department to provide a more localized measure of rents and are published at the ZIP code level for all metropolitan areas. For properties located within metropolitan areas users should use the "Hypothetical Small Area FMR Lookup System" for the appropriate fiscal year Users should locate the section labeled "Small Area FMRs" at http://www.huduser.org/portal/datasets/fmr.html and select the

link labeled "Look Up FY20__ Hypothetical Small Area FMRs (Based on Final FY20__ Metropolitan FMRs)" for the appropriate year. Users should first select either: 1) the relevant state and county (or town), or; 2) the relevant metropolitan area. Following the area selection, a list of all relevant ZIP codes is generated by the system. A complete list of all Small Area FMRs by state, county, and ZIP code for metropolitan areas nationwide is also available in Excel format by selecting the link labeled "FY2012 Hypothetical Small Area FMRs (Based on Final FY20__ Metropolitan FMRs) (*.xls, 3.69MB, Updated 12/19/11)" at http://www.huduser.org/portal/datasets/fmr.html.*

*B. For properties located outside of metropolitan areas, users should use the "Final FY20__ FMR Documentation System" for the appropriate fiscal year. Users should locate the section labeled "FMR Documentation" at and select the link labeled "Individual Area Final FY2012 FMR Documentation" for the appropriate year. After the user selects the relevant state and county (or town), the FMR for that particular county (or town) is displayed along with information regarding its calculation. A complete list of FMRs by state and county nationwide is also available in Excel format by selecting the link labeled "County Level Data File" in the section labeled "20__ Fair Market Rents" for the appropriate year under the subheading "Final Data" at http://www.huduser.org/portal/datasets/fmr.html.

HUD REVIEW OF ADDITIONAL REQUIREMENTS FOR RENTS EXCEEDING 110 PERCENT OF THE SAFMR OR FMR

Section 9-25

Current Guidance applies for the review of Rent Comparability Studies, as found in Sections 9-17, 9-19 and 9-20 of the Section 8 Renewal Policy Guide.